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Outcome of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation

Report of the Secretary-General*

Summary

The present report is being submitted pursuant to General Assembly resolution 57/242 of 20 December 2002, in which the Secretary-General of the United Nations was requested to submit a report on the outcome of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation. The report reviews the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries, and the Almaty Declaration (see A/CONF.202/3, annexes I and II). The report also highlights relevant aspects of the preparatory process that preceded the International Ministerial Conference.

* The document was submitted late to the conferences services without the explanation required under paragraph 8 of General Assembly resolution 53/208 B, by which the Assembly decided that, if a report is submitted late, the reason should be included in a footnote to the document.

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I. Introduction

1. Pursuant to General Assembly resolution 57/242 of 20 December 2002, the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation was held in Almaty on 28 and 29 August 2003. The second session of the Intergovernmental Preparatory Committee was held prior to the Conference from 25 to 28 August 2003.

2. In paragraph 5 of resolution 57/242, the General Assembly designated the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States as the Secretary-General of the Conference and requested him to organize all of the sessions of the Intergovernmental Preparatory Committee.

3. In that same resolution, the Assembly requested the Secretary-General to submit a report on the outcome of the Conference to it at its fifty-eighth session. The present report has been prepared in response to that request. Section II provides an assessment of the outcome of the Conference, and section III contains an account of the preparatory process leading up to the Conference.

4. The report of the International Ministerial Conference as adopted at 29 August 2003 is contained in document A/CONF.202/3.

II. Outcome of the International Ministerial Conference

5. The International Ministerial Conference was the first high-level event of the United Nations devoted to the special needs and problems of landlocked developing countries in order to integrate them effectively into the world economy by establishing efficient transit transport systems in both landlocked and transit developing countries. The Conference was attended by representatives from 82 States Members of the United Nations, with many delegations at the Ministerial level, one observer delegation and 24 international organizations. The global high-level conference convened by the General Assembly was organized in the most cost-effective manner, with a positive outcome resulting from the full collaborative involvement of Member States and United Nations entities. Host country cooperation and full support also contributed to its success. The Conference reviewed the transit transport systems in landlocked and transit developing countries and unanimously adopted the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries.[1] In the Almaty Programme of Action it was agreed to undertake specific actions in five priority areas, namely: fundamental transit policy issues; infrastructure development and maintenance; international trade and trade facilitation; international support measures; and implementation and review.

6. The outcome of the International Ministerial Conference was expected to galvanize international recognition and support for the efforts to develop a win-win solution for both landlocked and transit developing countries with the support of their development partners.

7. The Almaty Declaration[2] and Programme of Action reflect the continued and strong commitment of the international community to addressing the special needs and problems of landlocked developing countries as called for in the United Nations Millennium Declaration.[3] The overarching goal of the Almaty Programme of Action is to forge partnerships to overcome the specific problems of the landlocked developing countries that result from their lack of territorial access to the sea and their remoteness and isolation from world markets. That situation has contributed to their relative poverty, substantially inflating transportation costs and lowering their effective participation in international trade.

8. The objective of the Almaty Programme of Action is to establish a new global framework for developing efficient transit transport systems in landlocked and transit developing countries, taking into account the interests of both landlocked and transit developing countries. The Programme aims to (a) secure access to and from the sea by all means of transport; (b) reduce costs and improve services so as to increase the competitiveness of their exports; (c) reduce the delivered costs of imports; (d) address problems of delays and uncertainties in trade routes; (e) develop adequate national networks; (f) reduce loss, damage and deterioration en route; (g) open the way for export expansion; and (h) improve the safety of road transport and the security of people along the corridors.

9. The main innovative feature of the Almaty Programme of Action is the focus on action-oriented specific measures to be undertaken by both landlocked and transit developing countries with the support of their development partners, the implementation of which would be measurable and feasible. The actions agreed upon at the International Ministerial Conference in the five priority areas, if fully and effectively implemented, would facilitate establishing the efficient transit transport systems that are inevitably required for landlocked developing countries to be effectively integrated into the international trading system.

10. Three parallel events were organized during the Conference to complement the Conference objectives: a round table on trade facilitation measures, a high-level investment forum and a round table on regional initiatives on trade and transport facilitation. Those events were organized by the United Nations Conference on Trade and Development (UNCTAD), the World Bank and the Economic Commission for Europe respectively. The events identified specific initiatives and actions that could be translated into the development of new, innovative and strengthened partnerships between official development partners and the private sector, and the opening up of new international partnerships for assisting landlocked and transit developing countries through the establishment of efficient transit transport systems.

A. Almaty Declaration

11. On 29 August 2003, the International Ministerial Conference expressed its political commitment through the adoption of the Almaty Declaration. The Almaty Declaration recalled the United Nations Millennium Declaration, in which heads of States and Governments recognized the special needs and problems of the landlocked developing countries and urged both bilateral and multilateral donors to increase financial and technical assistance to that group of countries to meet their special development needs and to help them overcome the impediments of

geography by improving their transit transport systems.[4] The Almaty Declaration recognized high trade transaction costs as a major reason for the marginalization of landlocked developing countries within the global trading system. Trade and transport are inextricably linked. Transport costs are a key determinant of international trade competitiveness. The Ministers committed to work towards minimizing the current marginalization and enhancing the beneficial integration of landlocked developing countries into the global economy. To that end, the Ministers committed to strive to establish efficient transit transport systems in both landlocked and transit developing countries.

12. The Ministers reaffirmed the right of access of landlocked countries to and from the sea and freedom of transit through the territory of transit countries by all means of transport, in accordance with applicable rules of international law. At the same time they reaffirmed that transit countries, in the exercise of their full sovereignty over their territory, have the right to take all measures necessary to ensure that the rights and facilities provided for landlocked developing countries in no way infringe upon their legitimate interests.

13. The Almaty Declaration recognized that excessive transport costs create a major effective barrier to foreign markets. In this regard, the Declaration noted the request of landlocked developing countries that the current negotiations on market access for agricultural and non-agricultural goods should in particular focus on products of special interest to landlocked developing countries.

B. Almaty Programme of Action

14. The Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries concerns five priority areas, which are explained below.

1. Fundamental transit policy issues

15. The Almaty Programme of Action states that it is important for landlocked and transit developing countries to review and revise their transit transport regulatory frameworks and allow greater participation of the private sector. The landlocked and transit developing countries should make transport services responsive to user demands and increase the transparency of transit and border regulations. Those countries should promote the use of information technology and strengthen training programmes. Transport strategies and programmes need to take full account of environmental aspects and ensure sustainable development. All those actions should be an integral part of a policy reform programme and poverty reduction strategy.

16. International conventions on transport and transit, as well as regional and bilateral agreements, are the main vehicles by which the harmonization, simplification and standardization of rules and documentation can be achieved. To accomplish those ends, the Almaty Programme of Action calls on development partners to give high priority to sustainable transportation financing, including through public/private partnerships involving official development assistance and through private investments including foreign direct investments.

17. The Almaty Programme of Action highlights specific actions required for an integrated approach to trade and transport sector development, including modernizing existing facilities and eliminating non-physical barriers to transit transport. The role of the regional and subregional organizations needed to be strengthened with the assistance of the international community. In addition, the institutional mechanisms to monitor the implementation of agreements between landlocked and transit developing countries should be strengthened.

2. Infrastructure development and maintenance

18. The Almaty Programme of Action recognized that inadequate infrastructure was a major obstacle to establishing efficient transit transport systems in landlocked and transit developing countries. Communication facilities are required to facilitate advance knowledge of transport service availabilities and to ensure smooth and speedy transit. Addressing those needs will involve considerable investment, capacity-building, new policies and institutional reform. The share of national resources and official development assistance allocated to infrastructure development in landlocked developing countries is very limited. A prerequisite for successfully attracting private investment and infrastructure projects is a sound regulatory and institutional framework. Regional and subregional economic cooperation and integration could help to overcome problems of market size, especially in landlocked developing countries, and attract the private sector to invest in infrastructure development.

19. Specific actions required in the area of infrastructure development and maintenance relate to the need for a greater share of public investment to be allocated for the development of infrastructure through financial assistance and investment from donors, international financial institutions and development assistance agencies. Landlocked and transit developing countries should make every effort to provide an environment conducive to using all transport modes and transit transport services to encourage competition. At the same time, capacities and legal regimes for multimodal transport operations need to be further developed, with particular attention given to constructing "missing links". Private sector participation should be encouraged by development partners in transit transport infrastructure development through co-financing, Build-Operate-Transfer and playing a catalytic role in attracting foreign direct investment as well as in facilitating increased access to bond markets. In addition, private-public partnership platforms along trade and transport corridors should be promoted through the development and extensive use of common information and communication technology-based management and monitoring systems.

20. The Almaty Programme of Action further identified specific actions needed to develop infrastructure in all modes of transport, including rail, road, air transport, ports, inland waterways, pipelines and communications.

3. International trade and trade facilitation

21. The Almaty Programme of Action recognized that the main cause for the marginalization of landlocked developing countries in the international trading system was the high trade transaction costs. Trade and transport are inextricably linked. Transport is a key sector for international trade, for regional integration and for ensuring balanced national development. Excessive transport costs create a

major barrier to foreign markets. Important sources of additional and avoidable costs and inefficiency included cumbersome border-crossing, customs procedures and documentation requirements and inadequate infrastructure facilities, as well as costly bank transactions. Landlocked developing countries depend on the state of their own and their transit neighbours' border procedures and level of bilateral cooperation as well as regional cooperation or integration. In this context, note was taken of the request of landlocked developing countries that the current negotiations on market access for agricultural and non-agricultural goods should consider giving particular attention to products of special interest to landlocked developing countries.

22. The Almaty Programme of Action identified specific actions to promote international trade and trade facilitation. Those included the accelerated accession of landlocked and transit developing countries to the World Trade Organization, taking into account their special needs and problems. Development partners should provide assistance in this regard. Pursuant to the Monterrey Consensus[5] and Doha Ministerial Declaration,[6] current negotiations should give full attention to the needs and interests of developing countries, including landlocked and transit developing countries.

4. International support measures

23. The Almaty Programme of Action recognized that the cost implications of meeting the requirements to establish and maintain an efficient transit transport system were often of such magnitude that the landlocked and transit developing countries could not by themselves accomplish this formidable task. Many landlocked developing countries are among the poorest countries, and most of the transit countries are themselves developing countries with limited resources. The development partners should play an important role in supporting transit transport development programmes. Such support should take full account of the special vulnerabilities and development needs of landlocked and transit developing countries in providing assistance to them.

24. The Almaty Programme of Action highlighted the specific actions that needed to be undertaken in the area of international support measures by the international community, including financial and development institutions and donor countries. Those entities should assist landlocked and transit developing countries in dealing effectively with their transit problems through a supportive external environment that gives access to and encourages the transfer of technologies related to transit transport systems. They should increase official development assistance, design innovative modalities for financing and encourage increased foreign direct investment for transit transport infrastructure. Donor countries and multilateral financial and development institutions should be encouraged to continue their efforts to ensure effective implementation of the commitments reached in the Monterrey Consensus.

25. Further, the Programme of Action identified priority areas for financial and technical assistance, which include "missing links" in transit transport corridors, alternative cost-effective routes, dry port projects, adjacent border points, rehabilitation of transport infrastructure and promotion of the implementation of agreed measures. Priority areas for technical cooperation include promoting the implementation of bilateral, subregional, regional and international transit

agreements; promoting social and market-oriented transit transport policies; and implementing privatization programmes. The promotion of customs training programmes is also required, along with the expansion of regional databases on road transport.

5. Implementation and review

26. The Almaty Programme of Action emphasized that success in attaining its objectives would depend critically on the effective functioning of the arrangements for its implementation and review at subregional, regional and global levels. Bilateral, subregional and regional cooperation is the most important element in establishing efficient transit transport systems and must be promoted on the basis of the mutual interests of both landlocked and transit developing countries. Arrangements must be established and further strengthened for regular review and monitoring of the implementation of transit agreements through public and private sector dialogue and consultations. The private sector should be actively involved in the implementation of the Almaty Programme of Action. The Programme of Action acknowledged the need for concerted efforts by the landlocked and transit developing countries, their development partners, the organizations and bodies of the United Nations system, relevant international organizations such as the World Bank, regional development banks, the World Trade Organization and the World Customs Organization.

27. Special subregional meetings should be organized, where appropriate, to consider how to implement effectively the Almaty Programme of Action. In accordance with the mandate given by the General Assembly, where applicable, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, the World Bank, the United Nations Conference on Trade and Development, the regional commissions and other relevant international, regional and subregional organizations are invited, as appropriate, to provide support to landlocked and transit developing countries in organizing such subregional meetings.

28. The United Nations General Assembly is invited to consider conducting a comprehensive review of the implementation of the Almaty Programme of Action at a time to be decided upon, in accordance with General Assembly resolution 57/270 B. The Office of the High Representative should coordinate the preparatory process for the review. The United Nations Conference on Trade and Development, the World Bank and the regional commissions are invited to provide substantive and technical assistance for that process. The Office of the High Representative is called upon to further enhance its cooperation and coordination with organizations within the United Nations system, particularly those engaged in operational activities on the ground in landlocked and transit developing countries, to ensure the effective implementation of the Almaty Programme of Action and to continue to carry out its advocacy work to mobilize awareness and focus attention on the implementation of the Almaty Programme of Action.

III. The preparatory process for the Conference

29. The organization of the Conference was unique in itself. In addition to the intergovernmental process focusing on the formulation of the Almaty Programme of

Action, particular attention was given to the regional level process of assessing the transit transport systems in Africa, Asia and Latin America, and of adopting a regional platform/programme of action on measures aimed at establishing efficient transit transport systems at the subregional and regional levels.

30. The Latin American regional preparatory meeting, which was hosted by the Government of Paraguay from 12 to 13 March 2003 in Asuncion, adopted the Asuncion Programme of Action on transit transport cooperation in Latin America. In lieu of the regional intergovernmental preparatory meeting, the first phase of the fifty-ninth session of the Economic and Social Commission for Asia and the Pacific on 25 April 2003 in Bangkok adopted the Asian action plan on transit transport cooperation. The African regional meeting was also held from 5 to 7 May 2003 at the headquarters of the Economic Commission for Africa in Addis Ababa, which adopted the African action plan on transit transport cooperation. The Almaty Programme of Action took note of the regional plans of action.

31. A broad-based participatory approach was the main strategy for the preparatory process of the International Ministerial Conference. With its global mandate of United Nations system-wide coordination, advocacy and mobilization of international support measures, the Office of the High Representative undertook the necessary steps to ensure the active participation of the relevant United Nations entities and international organizations in the preparatory process. Those organizations designated focal points to facilitate the preparations for the International Ministerial Conference.

32. The World Bank was actively involved in the substantive preparations for the International Ministerial Conference. The World Bank included the preparations for the International Ministerial Conference in the agenda of its Transport Forum 2003. The 2002 annual report of the World Bank, entitled *Global Economic Prospects: Making Trade Work for the World's Poor*, also provided a comprehensive analysis of the role of transport services for development, including the specific difficulties confronted by landlocked developing countries. The World Bank organized a parallel event, the high-level investment forum, during the Conference (see para. 10 of the present report).

33. The UNCTAD secretariat was also actively involved in the preparatory process for the International Ministerial Conference. In particular, the United Nations Conference on Trade and Development commissioned a number of case studies on transit transport systems in South East Asia, Central Asia, Latin America, and Western and Eastern Africa. The UNCTAD secretariat organized the parallel event on trade facilitation measures during the Conference.

34. The regional commissions played a lead role in providing substantive preparations for the subregional and regional preparatory meetings. The Economic Commission for Africa, the Economic and Social Commission for Asia and the Pacific and the Economic Commission for Latin America and the Caribbean prepared assessments on regional transit transport systems and on measures for further development. The secretariat of the Economic Commission for Europe organized the parallel event on the regional initiatives on trade and transport facilitation.

35. In response to the General Assembly's request to seek voluntary contributions to facilitate preparations for the International Ministerial Conference, the Secretary-

General established a trust fund for the preparation of the International Ministerial Conference and for its follow-up activities in order to pool voluntary contributions. The Governments of Greece, Italy, Japan and Switzerland as well as the European Commission and United Nations Development Programme (UNDP) made a contribution to the trust fund for the International Ministerial Conference. The Special Unit for Technical Cooperation among Developing Countries of the United Nations Development Programme made also contributions to the trust fund. The Government of Italy provided financial assistance to UNCTAD in preparing technical papers on transit transport systems in different landlocked subregions.

36. As the General Assembly requested the Secretary-General of the United Nations to launch a public information campaign, the Secretary-General of the Conference, with the support of the Department of Public Information, carried out a public information campaign. Those measures have been effective in drawing international attention to the objectives of the Conference.

IV. Conclusion

37. **The International Ministerial Conference successfully galvanized international solidarity and partnerships to address the special needs of landlocked developing countries as called for in the Millennium Declaration. The full and effective implementation of the specific actions in the five priority areas agreed upon in the Almaty Programme of Action would facilitate establishing the efficient transit transport systems in landlocked and transit developing countries that are inevitably required for landlocked developing countries to be effectively integrated into the international trading system.**

Notes

[1] A/CONF.202/3, annex I.

[2] A/CONF.202/3, annex II.

[3] General Assembly resolution 55/2.

[4] General Assembly resolution 55/2, para. 18.

[5] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[6] A/C.2/56/7, annex.